

City of Falls Church

FY2016 BUDGET & CAPITAL IMPROVEMENTS PROGRAM

April 27, 2015

Two Months of Review and Input

- Presentation March 9
- Budget Open House
- 2 Town Hall Meetings
- 3 Public Hearing
- 4 Work Sessions



March 9 Budget

General Govt Operating Increase:

\$ 531,810 1.5%

School Board Requested Increase:

\$1,953,570 5.3%

Debt Service Increase: \$ 816,606

FY15 Non-recurring revenue: \$1,220,000

Unfunded Amount: 1,400,000

**Required RE Tax Rate: \$1.345 4 cent
increase**

Gap Closing Measures

- Health Plan Savings: \$507,881
 - \$295,200 Schools
 - \$212,681 Government
- Use of Excess Bond Proceeds: \$305,000
- Use of NVT A 30% for WMATA: \$144,000
- VIP Investments: \$39,100

Gap Closing Measures

- GMHS Campus Planning Study: \$100,000
 - Move from School Transfer to CIP at \$250,000 funding level
 - Fund with Capital Reserves
- Treasurer Collections: \$100,000
 - Retain current temporary employee for collections, \$100,000 is net impact.
- School Bus: \$90,000
 - Debt finance rather than cash

Other Changes

- Fund CATCH at FY15 level: \$25,000
- Replace Police Radios: \$585,000
 - Use debt financing
- Transportation Planner: \$110,000
 - Carryforward from FY15 & CIP funds
- Other minor additions / deletions

Budget Options 1 & 2

- Remaining Gap: \$340,000
- Ordinance Option 1:
 - RE Tax Rate: \$1.305 (no change)
 - Reduce school transfer \$340,000
 - School transfer: 3.3% growth
- Ordinance Option 2:
 - RE Tax Rate: \$1.315 (1 cent increase)
 - School transfer: 4.2% growth

Short Term Debt

Five-Year Term

PROPOSED SHORT TERM DEBT ISSUANCE

Dump Truck Replacements	270,000
Police Vehicles	159,000
School Buses	90,000
Police Radio Replacements	585,000
Total Short Term Bonding	1,104,000

Annual Debt Service: \$260,000

Note: Dump Trucks to be requested as FY15 Budget Amendment, Debt Service will be due in FY17

Long Term Debt In FY16

20 year term

Transportation Improvements	1,400,000
Fire Arms Range (Approved FY15)	300,000
TJ HVAC System	2,000,000
	3,700,000

Annual Debt Service Projected: \$ 315,000 per year.
Debt Service Begins in FY17

Impacts on FY2017

New Debt Service for Capital Improvements	\$	315,000
New Debt Service for Fleet & Radios		260,000
WMATA: replace NVTa funds with local funds		700,000
One Time Use of Bond Refunding		305,000
Total FY17 new costs from FY16 Budget	\$	1,580,000

Fiscal Positives for FY17

City Pension: Reduction in Cost	510,170
City Pension: ROI	640,000
New Development	1,200,000
Total Positive Fiscal Projections	\$ 2,350,170

Note: City Pension ROI is to cover debt service for capital program.

Unfunded Needs for Consideration in FY17

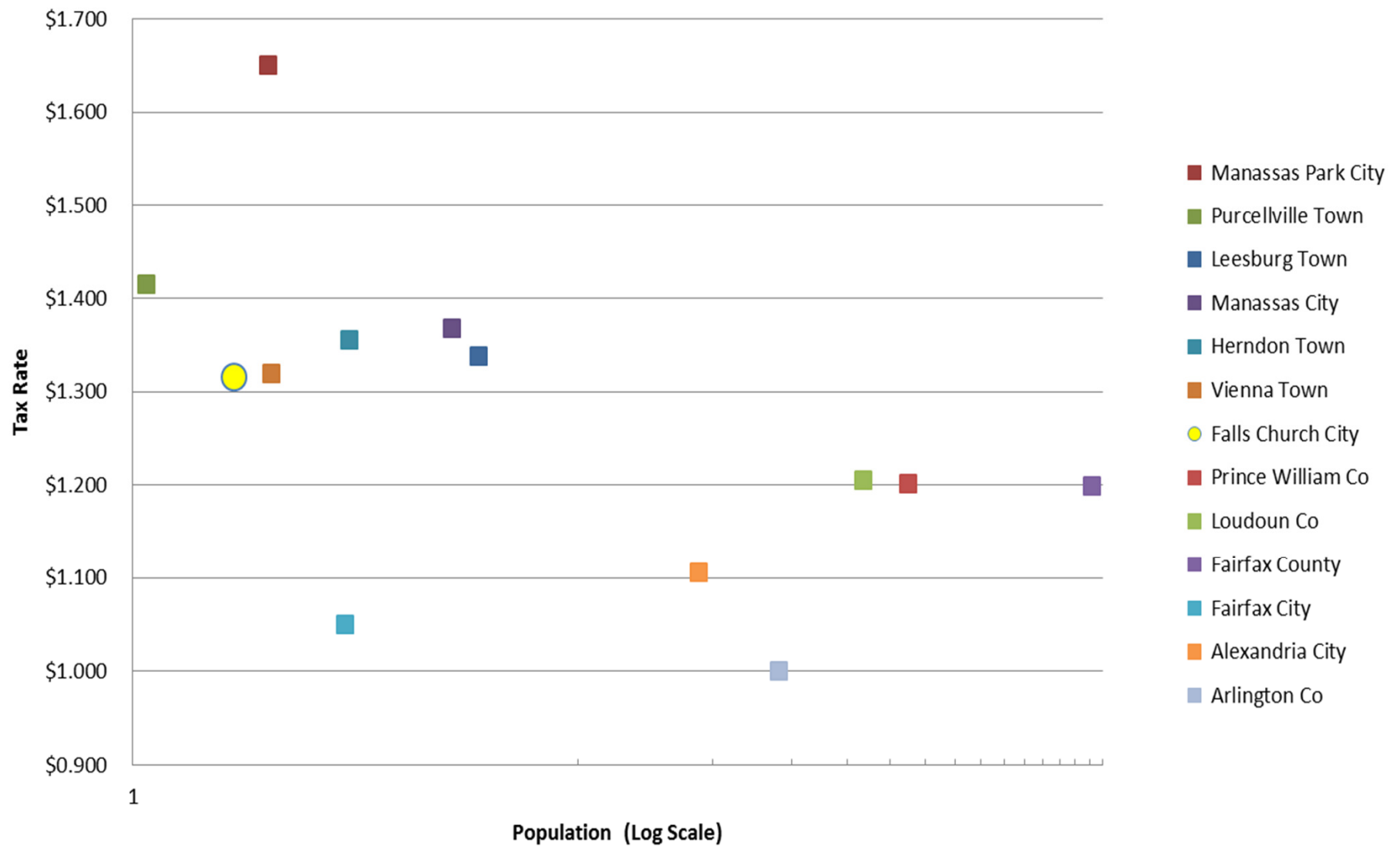
Fleet Replacement	\$	300,000
Neighborhood Traffic Calming		200,000
Park Master Plan Implementation		100,000
Facilities Maintenance		700,000
NVTA "C&I" Equivalent for 30% projects		950,000
Voting Machines		200,000
IT Equipment Refresh		115,000
Sidewalk repair and maintenance		200,000
Paving		300,000
Transportation/Future Planner		100,000
Upgrade platform for Integrated Library Service		59,000

RE Tax Rates in Region

2015 (Proposed as of April 24)

Real Estate Tax Rates	TY2015	Extras	Comparable Tax Rate
Manassas Park City	\$ 1.650		\$ 1.650
Purcellville Town	1.395		1.415
Manassas City	1.368		1.368
Herndon Town	1.355		1.355
Vienna Town	1.319		1.319
Leesburg Town	1.318		1.338
Falls Church City	1.315 / 1.305		1.315 / 1.305
Prince William Co	1.192	0.010	1.202
Loudoun Co	1.135	0.050	1.205
Fairfax County	1.090	0.108	1.199
Fairfax City	1.040	0.010	1.050
Alexandria City	1.043	0.063	1.106
Arlington Co	0.996	0.058	1.054
AVERAGE	1.25	0.05	1.28

Tax Rate and Population



Median Home Tax Bill

2015 median home value: \$643,900

**2015 median increase of \$354 due to
assessment growth (flat tax rate)**

**- one penny on RE tax rate =
additional \$64 for median home tax
bill.**

Capital Capacity Strengths

- **AAA / AAA / Aa+ ratings are indication of strength:**
 - ✓ **Fund balance at policy target**
 - ✓ **Strong Capital Reserves**
 - ✓ **Fully funded pensions**
 - ✓ **Significant new economic development in the City**
 - ✓ **Record of strong financial management by City Council and staff**

City Council Vision

